THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) No, Sir. However, India and Thailand have signed only a Framework Agreement for establishing a Free Trade Area (FTA) on 9th October 2003 in Bangkok, Thailand. The key elements of the Framework Agreement cover FTA in Goods, Services and Investment, and Areas of Economic Cooperation. The Framework Agreement also provides for an Early Harvest Scheme (EHS) under which common items have been agreed for elimination of tariffs on a fast track basis.

(c) to (e) The list of items on which tariff concessions will be exchanged between India and Thailand under the Early Harvest Scheme has been finalized after consultations with the administrative Ministries/Departments and the domestic stakeholders. The tariff preferences on imports to India would be available only for those products which enjoy the 'originating status' in Thailand as prescribed under the Rules of Origin which are integral part of any Free Trade Agreement. Similarly, the products which enjoy the 'originating status' in India would only get tariff preferences for imports in Thailand. To protect the vulnerable sections of the domestic industry, the Framework Agreement provides for each country to maintain a negative/ sensitive list of items on which no tariff concessions shall be granted under the FTA. In addition, the Agreement provides for trade defence measures which an importing country can take recourse to. In case of a surge in imports and injury to the domestic industry, a country is allowed to take measures such as anti-dumping and safeguards. The Agreement also provides for cooperation among customs authorities for ensuring that the Rules are not violated.

Special Economic Zones

316. SHRI RAJEEV SHUKLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that there is not a single operational Special Economic Zone in the country, out of 21 notified SEZs;

(b) if so, the details thereof and reasons therefor; and

(c) the steps Government are taking to remedy the situation?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (c) Eight Special Economic Zones (SEZs) at Kandla and Surat (Gujarat), Santa Cruz

(Maharashtra), Cochin (Kerala), Chennai (Tamil Nadu), Vishakhapatnam (Andhra Pradesh), Falta (West Bengal) and Noida (U.P.) converted from Export Processing Zones are operational. In addition, out of the 24 new SEZs approved for establishment (as on 31.3.2004), 3 SEZs at Salt Lake (Manikanchan), Indore, and Jaipur have become operational and another 2 Zones are now ready for operation. The new SEZs are being set up largely by the State Governments are their agencies or by the private sector in association with the State Government or by the private sector on their own. Periodic meetings are held by the Department of Commerce with the State Governments/promoters of the SEZs to expedite the projects.

Threat by France on WTO Plan

317. SHRI K. RAMA MOHANA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Government's reaction on the threat given by France to wreak the WTO's plan to revive talks on global trade pact;

(b) the steps India and other countries are taking to pursue France to fall in line; and

(c) how it would affect India's prospects at WTO?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (c) The European Commission is the executive body of the European Union responsible for negotiating trade matters on behalf of the Union in accordance with the decisions taken by the Council of the European Union comprising Ministers from Member governments and by the European Parliament. In view of this, the position of its Members is collectively articulated by the European Commission at the WTO. Threat, if any, by France as mentioned in part (a) of the question is not relevant in the context of WTO negotiations as it is confined to the decision-making process within the European Union. Further, since the negotiations in Geneva resulted in a Framework being adopted by the WTO General Council by consensus on 1 August 2004, the question of the stand of France affecting the on-going negotiations does not arise.

Review of policy on import of scrap

318. DR. ALLADI P. RAJKUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have reviewed the policies and procedures to import scrap to ensure that security of the nation is not compromised while encouraging trade;